

# A comparison of property tax reform proposals

Provided by  
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MAJOR PLAN CONCEPTS	Governor's Property Tax Plan	Commission on Tax & Financing Policy	Indiana Association of Realtors®	Indiana Farm Bureau, Inc.
Circuit Breakers	1% (Residential Homestead) 2% (Residential Rentals) 3% (All other property)	Circuit Breakers are part of plan but thresholds not specified	Support conceptually but not addressed in Realtors Reform Agenda	Do not support circuit breakers based on assessed value. Suggest circuit breakers based on income, or ability to pay.
Revenue Enhancement for Property Tax Relief	Increase in sales tax to 7%	No specific revenue plan advanced. But, taxation of services under sales tax and adoption of local income tax encouraged. Eliminate certain exemptions	Any state tax increase should be in broad-based sales or income taxes. Evaluate all deductions and exemptions with an eye toward elimination.	Increase state sales tax from 6% to 7%. Increase state income tax from 3.4% to 4.4%
Constitutional Amendment for Circuit Breakers	Yes	Yes	Not specified, but IAR supports permanent tax relief and long term certainty of tax liability	Do not support
Spending Caps	Limits spending to 6-year rolling average of individual county income growth	Reduction in local spending but actual reductions not specified	Not specified, but supports strict controls and reformation of local budgeting	Support constitutional amendment to prohibit eliminated levies; Support newly created County Boards of Tax and Capital Projects Review; Support making local budget and tax information available to the public.
Referendums	Yes, for "significant" Capital Projects	Not addressed in plan	Not addressed in reform agenda	Do not support referendums in the context of the 1-2-3 circuit breakers that disconnects those that use services from those paying for the services or project
Assessor Duties	Eliminates Township Assessors replaced by County Assessor appointed by fiscal body of county	Eliminates Township Assessors to be replaced by elected County Assessor	Eliminate Township Assessors and appoint a single County Assessor. Upgrade qualifications for county assessor such that they must meet state appraiser certification standards.	Support highly qualified assessors and more frequent reassessment to rectify disparities and erroneous assessments
Local Property Tax Levy Assumption by State	School General Fund	School General Fund	School General Fund	School General Fund, CPF Transfer, and Substantial (at least one month's payment) Rainy Day Trust Fund for school operating
	School Transportation Fund	Family and Children Fund	Welfare levies	All welfare levies including HCI
	Family and Children Fund	Medical Assistance to Ward Fund	Court levies	Court levies
	Medical Assistance to Ward	Children with Special Health Care	Should evaluate all deductions and exemptions with an eye toward eliminating them	School debt grants after Rainy Day Trust Fund is fulfilled to equalize schools' ability to provide facilities and to equalize taxpayer burdens for school construction
	Children with Special Health	Residential Psychiatric Treatment Fund		
Residential Psychiatric Treatment Fund				
Supplemental Homestead Deduction	35%	Not specified in Plan	Not specified in Plan	Do not support additional deductions that create shifts